

1 loans secured by real property located in this state shall be required submit
2 to examinations to discover violations of Chapter 397-A.

3 The Department issued to the Respondents a Cease and Desist Order and
4 an immediate suspension of the license of Respondent Coastal Mortgage Group
5 on January 22, 2007. RSA 541-A requires the Department to hold a hearing on
6 such summary action within ten working days.

7 The Department alleges the following:

8 **Issue 1:** Failure to facilitate an examination

9 Accordingly, an adjudicative proceeding shall be commenced pursuant to
10 541-A:31 and Chapter 200 of the Department's rules (NH Code of Administrative
11 Rules BAN 200) for the purpose of permitting the Respondent to show
12 compliance with RSA 397-A:12.

13 Each party has the right to have an attorney present to represent the
14 party at the party's expense, or may represent itself. Each party has the
15 right to have the Department provide a certified shorthand court reporter at
16 the requesting party's expense. Any such request must be submitted in
17 writing to the Department at least 5 days prior to a scheduled hearing date.

18 THEREFORE, IT IS ORDERED, that the Respondent appear before the New
19 Hampshire Banking Department on January, 31, 2007 at 10:00am, at the
20 Department's offices at 64B Old Suncook Road, Concord, New Hampshire, for the
21 purpose of participating in an adjudicative proceeding, at which time the
22 Respondent will have the opportunity to demonstrate why the cease and desist
23 order should not become permanent; and

24 IT IS FURTHER ORDERED, that if the Respondent elects to be represented
25 by Counsel, said Counsel shall file notice of appearance at the earliest
possible date; and

IT IS FURTHER ORDERED, that James Shepard, Staff Attorney, New
Hampshire Banking Department is designated as Hearing Counsel in this matter

1 with authority to represent the public interest within the scope of the
2 Department's authority. Hearing Counsel shall have the status of a party to
3 this proceeding; and

4 IT IS FURTHER ORDERED, that Robin Boman shall serve as the Presiding
5 Officer in this proceeding who shall issue a RECOMMENDED DECISION in this
6 matter which shall be reviewed and approved, disapproved or modified by the
7 Bank Commissioner; and

8 IT IS FURTHER ORDERED, that any proposed exhibits shall be pre-marked,
9 for identification only, and filed with the Department and provided to the
10 opposing party as soon as possible. Hearing Counsel shall pre-mark the
11 Department's exhibits with Arabic numbers. The Respondents shall pre-mark
12 exhibits with capital letters. An index/list of exhibits providing a brief
13 description of each exhibit with its corresponding pre-marked number or
14 letter shall be filed by both parties simultaneous with the filing of
15 exhibits; and

16 IT IS FURTHER ORDERED, that the parties shall exchange a list of all
17 exhibits and witnesses to be called at the hearing with a brief summary prior
18 to January, 30, 2006, and shall at the same time file a copy of their
19 respective witness lists with the Presiding Officer; and

20 IT IS FURTHER ORDERED, that all periods referenced in this notice shall
21 be calendar days. If the last day of the period so computed falls on a
22 Saturday, Sunday, or legal holiday, then the time period shall be extended to
23 include the first business day that is not a Saturday, Sunday, or legal
24 holiday; and

25 IT IS FURTHER ORDERED, that the Department shall have the burden of
26 setting forth a *prima facie* case, then the Respondent shall have the burden of
27 showing compliance with applicable law by a preponderance of the evidence;

IT IS FURTHER ORDERED, that Respondents' failure to appear at the time,
date, and place specified may result in the hearing being held *in absentia*

1 and/or default ruling in favor of the Department, without further notice or
2 opportunity to be heard; and

3 IT IS FURTHER ORDERED, that the entirety of all oral proceedings shall be
4 recorded verbatim by the Banking Department. Upon request of any party, or
5 upon the Presiding Officer's own initiative, such record shall be transcribed
6 by a certified court reporter designated by the Presiding Officer, and that all
7 costs shall be borne solely by the requesting party. Any such request shall be
8 submitted in writing to the Presiding Officer prior to hearing.

9 IT IS FURTHER ORDERED, that all documents shall be filed with the
10 Presiding Officer in the form of an original and one (1) copy and shall bear a
11 certification that a copy is being delivered to Hearing Counsel and any other
12 parties to this matter in accordance with NH Code of Administrative Rules Ban
13 204.08. All documents shall be filed by mailing or delivering them to the New
14 Hampshire Banking Department, ATTN: Presiding Officer, 64-B Old Suncook Road,
15 Concord, NH 03301. Filing by facsimile or electronic transmission shall not be
16 accepted; and

17 IT IS FURTHER ORDERED, that the parties may submit Proposed Orders, which
18 shall include findings of fact and conclusions of law, separately stated, no
19 later than ten (10) days following conclusion of the hearing(s) in this matter;
20 and

21 IT IS FURTHER ORDERED, that routine procedural inquiries may be made by
22 telephoning Maryam Torben-Desfosses at (603)-271-3561, but all other
23 communications with the Presiding Officer and with the Department shall be in
24 writing and shall be filed as provided above. *Ex parte* communications are
25 forbidden by statute; and

IT IS FURTHER ORDERED, that a copy of this Notice of hearing shall be
served to the licensee, mailed to Rick Burn, Counsel for Respondents, and
that a copy shall also be delivered to James Shepard, Hearing Counsel, and to
the Presiding Officer, at the New Hampshire Banking Department.

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3 SO ORDERED,

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5 /s/
Peter C. Hildreth
Commissioner
6 State of New Hampshire
Banking Department
7

January 23, 2007
Date